

4-17-01
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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

S

W-01979A WATER
SILVER WELL SERVICE CORPORATION
PO BOX 876
TAYLOR AZ 85939-0000

ANNUAL REPORT

FOR YEAR ENDING

12	31	2000
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FOR COMMISSION USE

ANN OF PO

COMPANY INFORMATION

Company Name (Business Name) SILVERWELL SERVICE CORP., DBA WATCO

Mailing Address P.O. BOX 876
TAYLOR AZ 85939

Email Address

Local Office Mailing Address P. O. BOX 426
LAKESIDE AZ 85929

(520)537-8739 (520)536-5431 (520)532-6941/(520)521-7128
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address

MANAGEMENT INFORMATION

Management Contact: MARK GRAPP
P.O. BOX 876
TAYLOR AZ 85939

(520)537-8739 (520)536-5431 (520)532-6941/(520)521-7128
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address

On Site Manager: MARK GRAPP
P.O. BOX 876
TAYLOR AZ 85939

(520)537-8739 (520)536-5431 (520)532-6941/(520)521-7128
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address

Statutory Agent: John Goodson, 2025 N. 3rd St., Phoenix AZ 85004

Attorney: John Goodson, 2025 N. 3rd St., Phoenix AZ 85004

OWNERSHIP INFORMATION

Check the following box that applies to your company:

Sole Proprietor (S)	<u>X</u> C Corporation (C) (Other than Association/Co-op)
Partnership (P)	Subchapter S Corporation (Z)
Bankruptcy (B)	Association/Co op (A)
Receivership (R)	Limited Liability Company
Other (Describe)	

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

APACHE	COCHISE	COCONINO
GILA	GRAHAM	GREENLEE
LA PAZ	MARICOPA	MOHAVE
<u>X</u> NAVAJO	PIMA	PINAL
SANTA CRUZ	YAVAPAI	YUMA
STATEWIDE		

SILVERWELL SERVICE CORP., DBA WATCO**UTILITY PLANT IN SERVICE**

Account No.	Original Cost	Accumulated Depreciation	O.C.L.D.
301 Organization Cost	1,542.00		1,542.00
302 Franchise Cost	6.85		6.85
303 Land and Land Rights	27,094.00		27,094.00
304 Structures and Improvements	9,134.80	4,728.93	4,405.87
307 Wells and Springs	19,361.00	15,414.25	3,946.75
311 Electric Pumping Equipment	13,023.30	3,656.17	9,367.13
320 Water Treatment Equipment			
320.1 Water Treatment Equipment			
320.2 Solution and Chemical Feeders			
330 Distribution Reservoirs & Standpipe	36,734.00	17,297.20	19,436.80
330.1 Storage Tanks			
330.2 Pressure Tanks			
331 Transmission and Distribution Mains	354,579.77	245,748.73	108,831.04
333 Services	54,645.37	31,867.07	22,778.30
334 Meters	17,060.36	9,115.60	7,944.76
335 Hydrants			
339 Plant Structures and Improvements			
340 Office Furniture and Fixtures			
341 Transportation Equipment			
343 Tools and Work Equipment			
344 Laboratory Equipment			
344 Laboratory Equipment			
345 Power Operated Equipment			
346 Communications Equipment			
347 Miscellaneous Equipment			
348 Other Tangible Plant			
TOTAL WATER PLANT	533,181.45	327,827.95	205,353.50

This amount goes on the Balance Sheet Acct. No. 108



SILVERWELL SERVICE CORP., DBA WATCO**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization Cost	1,542.00		Not depreciable
302	Franchise Cost	6.85		Not depreciable
303	Land and Land Rights	27,094.00		Not depreciable
304	Structures and Improvements	9,134.80	5%	456.74
307	Wells and Springs	19,361.00	5%	968.05
311	Electric Pumping Equipment	13,023.30	5%	651.17
320	Water Treatment Equipment		0%	
330	Distribution Reservoirs & Standpipe	36,734.00	5%	1,836.70
331	Transmission and Distribution Mains	354,579.77	5%	17,728.99
333	Services	54,645.37	5%	2,732.27
334	Meters	17,060.36	5%	853.02
335	Hydrants		5%	
339	Plant Structures and Improvements		5%	
340	Office Furniture and Fixtures		5%	
341	Transportation Equipment		5%	
343	Tools and Work Equipment		5%	
344	Laboratory Equipment		5%	
344	Laboratory Equipment		5%	
345	Power Operated Equipment		5%	
346	Communications Equipment		5%	
347	Miscellaneous Equipment		5%	
348	Other Tangible Plant		5%	
	TOTAL WATER PLANT	533,181.45		25,226.94

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.

SILVERWELL SERVICE CORP., DBA WATCO

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 564.82	\$ 1,288.13
134	Working funds	\$ -	\$ -
135	Temporary Cash Investments	\$ -	\$ -
141	Customer Accounts Receivable	\$ 3,469.89	\$ 4,593.84
146	Notes/Receivables from Associated Companies	\$ -	\$ -
151	Plant Material and Supplies	\$ -	\$ -
162	Prepayments	\$ -	
174	Miscellaneous Current and Accrued Assets	\$ -	\$ -
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 4,034.71	\$ 5,881.97
	FIXED ASSETS		
101	Utility Plant in Service	\$ 531,971.30	\$ 533,181.45
103	Property Held for Future Use	\$ -	\$ -
105	Construction Work in Progress	\$ -	\$ -
108	Accumulated Depreciation - Utility Plant	\$ (302,601.01)	\$ (327,827.95)
121	Non-Utility Property	\$ -	\$ -
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 229,370.29	\$ 205,353.50
	TOTAL ASSETS	\$ 233,405.00	\$ 211,235.47

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

SILVERWELL SERVICE CORP., DBA WATCO

BALANCE SHEET (CONTINUED)

Acct No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITIES		
231	Accounts Payable	\$ -	\$ -
232	Notes Payable (Current Portion)	\$ -	\$ -
234	Notes/Accounts Payable to Associated Companies	\$ -	\$ -
235	Customer Deposits	\$ 9,240.00	\$ 10,230.84
236	Accrued Taxes	\$ -	\$ -
237	Accrued Interest	\$ -	\$ -
241	Miscellaneous Current and Accrued Liabilities	\$ -	\$ -
	TOTAL CURRENT AND ACCRUED LIABILITIES	\$ 9,240.00	\$ 10,230.84
	LONG TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ -	\$ -
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$ -	\$ -
252	Advance in Aid of Construction	\$ 10,256.71	\$ 9,807.17
255	Accumulated Deferred Investment Tax Credits	\$ -	\$ -
271	Contributions in Aid of Construction	\$ 230,446.13	\$ -
272	Less: Amortization of Contributions	\$ -	\$ -
281	Accumulated Deferred Income Tax	\$ -	\$ -
	TOTAL LIABILITIES	\$ 249,942.84	\$ 20,038.01
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 21,730.00	\$ -
211	Paid in Capital in Excess of Par Value	\$ -	\$ -
215	Retained Earnings	\$ (36,672.06)	
218	Proprietary Capital (Sole Props and Partnerships)	\$ -	\$ 191,197.46
	TOTAL CAPITAL	\$ -	\$ 191,197.46
	TOTAL LIABILITIES AND CAPITAL	\$ 259,182.84	\$ 211,235.47

SILVERWELL SERVICE CORP., DBA WATCO

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 68,825.59	\$ 70,920.93
460	Unmetered Water Revenue	\$ 253.20	\$ 253.20
474	Other Water Revenue	\$ 1,075.00	\$ 2,040.00
	TOTAL REVENUES	\$ 70,153.79	\$ 73,214.13
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 2,469.96	\$ 24,592.00
610	Purchased Water		
615	Purchased Power	\$ 5,722.65	\$ 6,878.51
618	Chemicals		
620	Repairs and Maintenance	\$ 4,765.99	\$ 701.82
621	Office Supplies and Expense	\$ 6,723.20	\$ 5,638.78
630	Outside Services	\$ 29,498.06	\$ 8,886.62
635	Water Testing	\$ 1,992.85	\$ 1,761.05
641	Rents	\$ 500.00	\$ 321.06
650	Transportation Expenses	\$ 4,816.18	\$ 5,416.61
657	Insurance - General Liability	\$ 705.00	\$ 1,318.23
659	Insurance - Health and Life		\$ 434.70
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense	\$ 4,032.00	\$ 704.25
403	Depreciation Expense	\$ 25,166.77	\$ 25,226.94
408	Taxes Other Than Income	\$ 3,507.34	\$ 3,642.90
408.11	Property Taxes	\$ 5,000.37	\$ 11,167.79
409	Income Tax	\$ 4,138.71	
	TOTAL OPERATING EXPENSES	\$ 99,039.08	\$ 96,691.26
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income		
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		\$ 267.19
	TOTAL OTHER INCOME/EXP	\$ -	\$ 267.19
	NET INCOME/(LOSS)	\$ (28,885.29)	\$ (23,744.32)

SILVERWELL SERVICE CORP., DBA WATCO

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	N/A	N/A	N/A	N/A
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued				
Amount Outstanding				
Date of Maturity				
Interest Rate				
Current Year Interest				
Current Year Principal				

Meter Deposit Balance at Test Year End \$10,230.84

Meter Deposits Refunded During the Test Year \$ 1,994.16

SILVERWELL SERVICE CORP., DBA WATCO**WATER COMPANY PLANT DESCRIPTION**

WELLS					
ADWR ID Number	Pump Horsepower	Pump Yield (gpm)	Casing Size (inches)	Casing Depth (feet)	Meter Size (inches)
55-603156	10	58	8	538	2
55-506606	5	31	6	440	2

OTHER WATER SOURCES		
Name or Description	Capacity (gpm)	Gallons Purchased or obtained (thousands)
N/A		

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.)=16,037

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
2	2	0	0
10	1		

STORAGE TANKS			PRESSURE TANKS	
CAPACITY (gals)	QUANTITY (how many)		CAPACITY (gals)	QUANTITY (how many)
100,000	1		3000	1
			2000	1

TREATMENT EQUIPMENT:
N/A

STATISTICAL INFORMATION

Total number of customers 247

Total number of gallons sold 16,036,650 gallons

SILVERWELL SERVICE CORP., DBA WATCO

YEAR

ENDING 12/31/2000

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2000 was: \$ 11,167.79

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why.

INCOME TAXES

For this reporting period, provide the following: *(Not applicable – Sole Proprietorship pays*

Federal Taxable Income Reported *it's taxes based on Owner's Schedule C*
Estimated or Actual Federal Tax Liability *income.) DEFUNCT CORPORATION.*

State Taxable Income Reported

Estimated or Actual State Tax Liability

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances

Amount of Gross-Up Tax Collected

Total Grossed-Up Contributions/Advances

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

**SIGNATURE***4-3-01***DATE***MARK GRAPP***PRINTED NAME***MANAGER***TITLE**

**WATER AND SEWER
UTILITIES ONLY**

PROPERTY TAXES

Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2000)

\$11,167.79

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled Checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain reasons below:

VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only

VERIFICATION

STATE OF ARIZONA

County of NAVAJO

I, MARK GRAPP, THE UNDERSIGNED OWNER OF THE SILVERWELL SERVICE CORP., DBA WATCO COMPANY

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

	MONTH	DAY	YEAR
FOR THE YEAR ENDING	12	31	2000


HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2000 WAS:

Arizona IntraState Gross Operating Revenues Only
\$78,128.51 BILLED
(THE AMOUNT ABOVE INCLUDES
\$4,067.61 IN SALES TAXES BILLED)

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)*



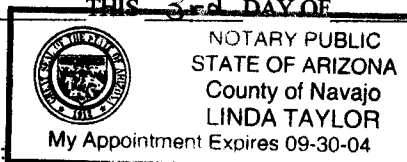
SIGNATURE OF OWNER

(520)536-5431
TELEPHONE NUMBER

*REVENUE REPORTED ON THIS PAGE IS BASED ON ACTUAL AMOUNT BILLED, WHEREAS REVENUE IN FINANCIAL STATEMENT IS BASED ON CASH RECEIPTS DURING THE YEAR. THERE WAS \$78,128.51 BILLED; \$71,174.13 RECEIVED IN PAYMENTS DURING 2000, FOR A DIFFERENCE OF \$6954.38. BOOKS ARE KEPT ON CASH BASIS, NOT ACCRUAL. SALES TAXES ARE PAID MONTHLY ON AMOUNTS RECEIVED. SUBSCRIBED AND SWORN TO BEFORE ME, A NOTARY PUBLIC IN AND FOR THE COUNTY OF

NAVAJO THIS 3rd DAY OF APRIL, 2001.

(SEAL)



MY COMMISSION EXPIRES:



SIGNATURE OF NOTARY PUBLIC

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only

VERIFICATION

STATE OF ARIZONA

County of NAVAJO

I, MARK GRAPP, THE UNDERSIGNED OWNER OF THE SILVERWELL SERVICE CORP., DBA WATCO COMPANY

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

	MONTH	DAY	YEAR
FOR THE YEAR ENDING	12	31	2000

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.


SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2000 WAS:

Arizona IntraState Gross Operating Residential Revenues
\$78,020.75 BILLED
(THE AMOUNT ABOVE INCLUDES
\$4,062.00 IN SALES TAXES BILLED)

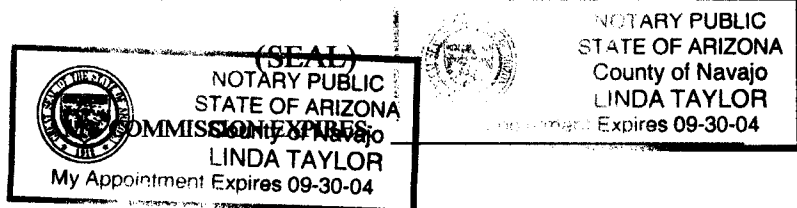
****REVENUE REPORTED ON THIS PAGE MUST
INCLUDE SALES TAXES BILLED.**

*REVENUE REPORTED ON THIS PAGE IS BASED ON ACTUAL AMOUNT BILLED, WHEREAS REVENUE IN FINANCIAL STATEMENT IS BASED ON CASH RECEIPTS DURING THE YEAR. THERE WAS \$78,020.75 BILLED; \$71,066.37 RECEIVED IN PAYMENTS DURING 2000, FOR A DIFFERENCE OF \$6,954.38. BOOKS ARE KEPT ON CASH BASIS, NOT ACCRUAL. SALES TAXES ARE PAID MONTHLY ON AMOUNTS RECEIVED.



SIGNATURE OF OWNER
(520)536-5431

SUBSCRIBED AND SWORN TO BEFORE ME, A NOTARY PUBLIC IN AND FOR THE COUNTY OF
NAVAJO THIS 3rd DAY OF APRIL, 2001.





SIGNATURE OF NOTARY PUBLIC

WATCO
MARK GRAPP
P.O. BOX 426 520-537-8739
LAKESIDE, AZ 85929

1590

Date 7-17-00

91-170/1221 AZ
8595

Pay to the

Order of Navajo Co Treasurer

\$ 4902.74

four thousand nine hundred two dollars & 74/100

Dollars

Bank of America

ACH RT 122101706

For 926-81-008 9312 Tax

⑆122101706⑆ 000235441953⑈ 1590 ⑈0000490274⑈

GUARDIAN SAFETY YELLOW WYE

WATCO
MARK GRAPP
P.O. BOX 426 520-537-8739
LAKESIDE, AZ 85929

1621

Date 8-22-00

91-170/1221 AZ
8595

Pay to the

Order of Navajo Co.

\$ 45.08

forty five dollars & 08/100

Dollars

Bank of America

ACH RT 122101706

For 204-27-027

⑆122101706⑆ 000235441953⑈ 1621 ⑈0000004508⑈

GUARDIAN SAFETY YELLOW WYE

WATCO
MARK GRAPP
P.O. BOX 426 520-537-8739
LAKESIDE, AZ 85929

1622

Date 8-22-00

91-170/1221 AZ
8595

Pay to the

Order of Nav. County

\$ 37.41

three hundred seventy five & 41/100

Dollars

Bank of America

ACH RT 122101706

For 926-81-005

⑆122101706⑆ 000235441953⑈ 1622 ⑈0000037541⑈

GUARDIAN SAFETY YELLOW WYE

WATCO
MARK GRAPP
P.O. BOX 426 520-537-8739
LAKESIDE, AZ 85929

1656

Date 10.4.00

91-170/1221 AZ
8595

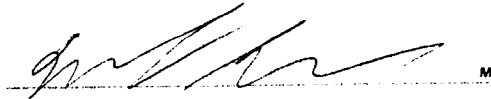
Pay to the
Order of Nav. Co.

\$ 2476⁹⁶/₁₀₀
two thousand four hundred seventy six Dollars

Bank of America

ACH R/T 122101706

For 926-81-008

 MP

⑆122101706⑆ 000235441953⑆ 1656 ⑆0000247696⑆

GUARDIAN SAFETY YELLOW WIRE

WATCO
MARK GRAPP
P.O. BOX 426 520-537-8739
LAKESIDE, AZ 85929

1655

Date 10.4.00

91-170/1221 AZ
8595

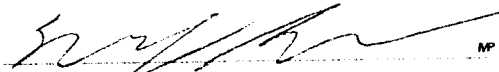
Pay to the
Order of Navajo Co.

\$ 40⁷⁰/₁₀₀
forty Dollars

Bank of America

ACH R/T 122101706

For 204-27-027

 MP

⑆122101706⑆ 000235441953⑆ 1655 ⑆0000004070⑆

GUARDIAN SAFETY YELLOW WIRE

WATCO
MARK GRAPP
P.O. BOX 426 520-537-8739
LAKESIDE, AZ 85929

1657

Date 10.4.00

91-170/1221 AZ
8595

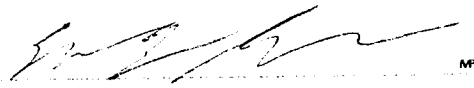
Pay to the
Order of Navajo County

\$ 330⁵⁰/₁₀₀
three hundred thirty Dollars

Bank of America

ACH R/T 122101706

For 926 81-005

 MP

⑆122101706⑆ 000235441953⑆ 1657 ⑆0000033050⑆

GUARDIAN SAFETY YELLOW WIRE

WATCO
MARK GRAPP
P.O. BOX 426 520-537-8739
LAKESIDE, AZ 85929


926-81-008

1721

Date 12-28-05

91-170/1221 AZ
8595

Pay to the
Order of Parajon Co Treasurer \$ 1996 40

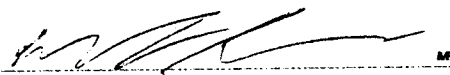
nineteen hundred ninety six & 40/100 Dollars  Security features
are included
Details on back.

Bank of America.



ACH R/T 122101706

For 1999 Taxes



⑆122101706⑆ 000235441953⑈ 1721 ⑈0000199640⑈

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GUARDIAN® SAFETY YELLOW WYE

J.R. DeSpain
Navajo County Treasurers Office